

Water and Light Advisory Board
March 1, 2007

A meeting of the Water and Light Advisory Board was held March 1, 2007 at 7:00 a.m. at the Administration office downtown. Attending the meeting were:

John Conway, Chair
Tom Baumgardner, Vice Chair
Greg Macias, Member
Robert Roper – Member,
Dan Dasho, Water and Light Director
Mike Schmitz, Engineering Manager
Floyd Turner, Manager of Water Operations
Dan Stokes, Electric Distribution Manager
Tad Johnsen, Power Production Superintendent
Jim Windsor, Manager Rates/Fiscal Planning
Jay Hasheider, Energy Services Supervisor
Marilyn Thorpe, Administrative Support Supervisor
Ernie Gaeth, Member, Excused

Win Colwill, League of Women Voters - visitor
Barbara Allen, League of Women Voters - visitor

APPROVAL OF THE FEBRUARY 1, 2007 MEETING MINUTES: The minutes of the February 1, 2007 meeting were approved with a motion by Tom Baumgardner and second by Greg Macias.

FINANCIAL REPORT: Finance's financial statement ending January 31, 2007 noted: (December and January books have not been finalized. The attached statements include estimates for December, and January investment income, and January depreciation is estimated. Since the books are still open, other number presented here may change).

The Water Utility has an operating income of \$224,492 for the four months ended January 31, 2007; compared to an operating income of \$326,778 for the same period last year. This is a decrease of \$102,286 in operating income.

The Electric Utility has an operating income of \$1,015,567 for the four months ended January 31, 2007; compared to an operating income of \$1,517,652 for the same period last year. This is a decrease in operating income of \$502,085.

Operating revenues of the Electric Utility are up \$1,073,914 compared to the same last year.

POWER PLANT REPORT:

- a) RFP for Integrated Resource Plan – Dan reported that the Request for Proposal (RFP) for the Integrated Resource Plan (IRP) was almost complete. He said staff would ask the Engineer to explain how the public's input on the Scope of Work would be incorporated into the study. The Board asked what the cost for the IRP would be. Dan said between \$100,000 and \$200,000. The Board will be kept informed of the progress of the RFP.

- b) Response to Short-term Supply Needs – Dan told the Board that there had been two responses to the RFP for Short-term Supply Needs. The two responders were Ameren and Edison Mission. The Board was given an overview hand-out on Edison Mission. The hand-out included information on Edison Mission's generation and their various pulverized coal-fired plants and wind portfolio. It was noted that they were members of PJM and not MISO. Dan said if the City went with Edison Mission the contract would run through 2011. Dan said he would like to get the Board together next week for a special meeting. He said staff could have prices for both companies and the Board could make a recommendation to Council on which company they thought would be best. Dan mentioned to the Board that staff was having a difficult time reacting to all the price changes in the marketplace in a timely manner due to the time constraints with having to go through Council each time a decision needs to be made. He said if the Board makes a recommendation at the next week's meeting it would not go before Council until March 19. It was decided the Board would meet on Wednesday, March 7.

ENGINEERING:

- a) 36" Water Main – Mike Schmitz said the 36" water main was 80% finished. The tie-in should be done the last of March. He said the contractors would be using the inflatable bladder, as discussed at the last Board meeting. He said the tie-in would be done in a 24 hour window. He explained that it would 6-8 hours just to drain the water in the main. He said with the bladder in place it would not be necessary to drain all the water out and that service would not be interrupted to our customers.
- b) 161 kV Line – Mike told the Board that the line is up. The contractors were in the clean-up mode. He said the tie-in to the existing main would occur in May.

WATER DIVISION: Floyd Turner said that Water Distribution was in the process of hiring three new employees to fill the night crew that was approved for the FY07 budget. He told the members that an Open House was planned for May 9 at the Water Treatment Plant in McBaine. It will run from 4:00 p.m. to 6:00 p.m. The Board was invited to attend.

ELECTRIC DIVISION: Dan Stokes said Greg Sublett, Line Superintendent, would be retiring March 2. He said that Tony Cunningham, Line Supervisor II, had been hired as his replacement.

UTILITY SERVICE DIVISION REPORT:

- a) PURPA Hearing Update - Tina Worley, told the Board that the first PURPA hearing had been held on February 20, 2007. She said the next hearing would be held on March 27. The topic will be Fuel Diversity and Fossil Fuel Efficiency.
- b) Diesel Generator Customer Locations – Tina said staff had met with two industrial customers regarding diesel generators. She said she had one signed contract and was waiting on the other one. The two customers are Missouri Book Services and State Farm Insurance Companies. The contracts will go before Council on March 19.
- c) Landfill Gas Proposal Acceptance – Tina said the Landfill Gas Proposal was to go before Council March 5. She said Sexton Energy would be doing the project. She also mentioned that Jefferson City was holding a groundbreaking ceremony for their landfill gas project. Invitations to the ceremony should be forthcoming for the April 19, 2007 event.
- d) Sponsoring a DEED Application – Mr. Dasho said a letter of endorsement for updating the Demand Side Management manual, was being sent to the American Public Power

Association. He said due to time constraints Water and Light was unable to sponsor the DEED application again but wanted to show their support for the update.

- e) Compact Fluorescent Light bulb (CFL) Program for the Columbia Landlord Association and Columbia Housing Authority – Tina said a memo was going before Council March 5 requesting permission to purchase compact fluorescent Energy Star bulbs through Midwest Energy Efficiency Alliance (MEEA). The estimated cost of the spring CFL program is approximately \$7,000.
- f) Residential Rebate Program for AC, Solar Water Heaters and Solar PV Systems – Tina handed out information to the Board on Energy Efficiency Rebate Programs. She said the program is for residential and commercial customers that install high efficiency central air conditioners or heat pump systems up to 5 ton capacity, solar water heaters, or solar Photovoltaic (PV) system in the range of 250 watts up to 10,000 watts. The program encourages customers to install higher rated efficiency equipment. Rebates would be used to encourage customers to go the extra mile. A rebate of \$400 for installing solar water heating systems with connected electric water heating. A \$500 per KW rebate is recommended for customers installing a Photovoltaic (PV) system.
- g) Renewable Energy Conference – Tina told the Board that Water and Light and the University of Missouri were hosting the second annual Advancing Renewables Conference, March 28, 2007. She gave each one a pamphlet on the conference and invited them to attend.

NEW BUSINESS: Springfield Cost of Ice Storm - Dan told the Board that Springfield's ice storm cost them \$28 million and that they could expect to get back \$22 million from FEMA. Dan indicated that it was important to maintain a good fund balance to be prepared for these type of situations.

OLD BUSINESS: Dan said the Southeastern Electric Reliability Council (SERC) had instituted over 100 standards or requirements to meet reliability standards. Violators could be charged \$100 to \$1 million a day. He said Mike Schmitz and Tad Johnsen were on SERC committees that dealt with planning. Dan said he was on the committee that assessed the violations. Dan also told the Board that all three of them were traveling to many SERC meetings to keep up to date on all the changes.

Next regular meeting date: April 5, 2007

Meeting adjourned at 8:05 a.m.

Respectfully submitted,